

NSC BRIEFING

14 March 1957

INDONESIA

- I. The process of disintegration in Indonesia has reached the stage where Java (55 Million pop. of total 80 million) is the only important island remaining under central government control.
 - A. On Java, itself, the Western province is now the scene of agitation for autonomy.
 - B. On 9 March, South Sumatra province formalized an already existing autonomous situation. Three days later, Borneo joined the local autonomy parade.
 - C. These developments appear to have been the "last straw" for Premier Ali: his government's resignation was accepted by Sukarno yesterday. This morning, having declared a "state of war and siege", Sukarno will make a nationwide broadcast--aimed particularly at the armed forces.
 - II. President Sukarno, meanwhile, is reportedly prepared to announce his newly-revised "concept" sometime between 16 and 18 March.
 - A. The new scheme calls for the immediate formation of a new government.
- 25X1C 1. [REDACTED] National Party and Nahdlatul Ulama (NU) will hold key positions.
2. Masjumi reportedly feels compelled to join new government in minor role (in order to avoid being linked with Communists in opposition).

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- III. Sukarno plans to go ahead with formation of Advisory Council (including Communist representation) and has added new feature in form of proposal to establish a Reconstruction Planning Board.
- A. Hatta offered chairmanship of latter body.
 - B. Hatta is reported to have tentatively accepted on condition no Communist included and that cabinet be committed to carry out Board recommendations.
- IV. This latest version of Sukarno's concept appears to be a sincere effort to achieve a compromise, meeting the chief demands of various dissident movements (removal of Ali, restoration of Hatta, barring of Communists from Cabinet and the promise held out--through Hatta's participation--for greater local autonomy and economic development.
- A. However, new version of concept, if accepted, would be only temporary solution of Indonesia's problems.
 - B. Indonesian political parties will continue their bickering, the provinces will continue demands for a greater share of autonomy and national wealth, and Sukarno--with his Communist and nationalist supporters--will continue to resist any moves away from central control.
- V. Army continues to be key to any Indonesian settlement.
- A. For months, it has been suspected that all along the Army has been considering the establishment of a junta at the right moment.

- B. It is notable that all coups in the provinces have been stimulated and led by local army commanders.
- C. While Djakarta Army HQ has continued loyal to the central government, no strong counteraction has been taken against the regional army rebels.
- D. Army's position may well crystalize at a 15 March meeting of the general staff in Djakarta.
 - 1. Has been announced that all top army leaders will be present--including those now in revolt against central government.

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- I. Process of disintegration in Indonesia has reached stage where Java is only important island remaining under central government control.
 - A. New revolts in South Sumatra, Borneo, and rising agitation in Java itself apparently precipitated yesterday's resignation of Ali government.
 - B. Sukarno, having declared "state of war & siege", will address nation today.
- II. Sukarno reported ready with following revised "concept."
 - A. New government to be dominated by National Party and NU.
 - B. Communists to have representation in advisory council.
 - C. Hatta to head new "Reconstruction Planning Board".
- III. Seems to be clever move to give appearance of meeting chief demands of dissident groups.
 - A. If accepted, would be only temporary solution to Indonesia's problems.
 - B. Political bickering and demands for local autonomy will continue, while Sukarno and followers will resist all moves away from central control.
- IV. Army continues to be key to Indonesian settlement.
 - A. Has been suspected they considering military junta.
 - B. Attitude may become clear at 15 March meeting of general staff in Djakarta.
 - C. Has been announced that all top commanders, including those